

THE HONORABLE JAMES L. OBERSTAR
CHAIRMAN
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

HEARING ON
FTA'S PROPOSED RULE ON THE NEW STARTS AND SMALL STARTS PROGRAMS
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

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Federal investment in public transportation undoubtedly improves the mobility of millions of Americans, helps to reduce traffic congestion, improves our air quality and environment, lessens our reliance on foreign oil, and fosters the development of more economically viable, safe, and livable communities across our nation as a whole.

The New Starts program is the Federal government's primary instrument for supporting large scale transit capital investments. Commuter rail and subway projects benefit from the stability of a New Starts grant agreement, as have dozens of new rail transit systems across the country.

The Small Starts program, newly created in SAFETEA-LU, was designed to support smaller scale transit projects like streetcars and bus rapid transit (BRT). In creating both the New Starts and Small Starts programs, Congress enacted specific criteria for FTA to analyze, evaluate and consider in each application for a New Starts or Small Starts grant.

FTA, however, is not currently incorporating all of the congressionally mandated criteria into either the New Starts or Small Starts evaluation process. Rather, FTA gives undue weight to a singular criterion – cost effectiveness – effectively trumping all the others.

In its recently issued NPRM on the New and Small Starts program, FTA seeks to solidify its reliance on cost effectiveness while it fails to provide a methodology for effectively evaluating the economic development benefits of transit projects, which SAFETEA-LU requires it do to.

While FTA is lax in implementing the law as Congress has written it, FTA seems to have no qualms about including certain elements into the programs that have neither been authorized nor approved by Congress.

Specifically I see no place for outsourcing and congestion pricing requirements in either the New Starts or Small Starts programs.

FTA's proposed rule is seriously flawed, and I look forward to hearing from our witnesses today regarding their concerns with the New Starts and Small Starts NPRM.